



General Assembly

February Session, 2006

Raised Bill No. 5814

LCO No. 3215

03215_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING THE BONDING PROCESS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 3-20 of the 2006 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (g) (1) With the exception of refunding bonds, whenever a bond act
5 empowers the State Bond Commission to authorize bonds for any
6 project or purpose or projects or purposes, and whenever the State
7 Bond Commission finds that the authorization of such bonds will be in
8 the best interests of the state, it shall authorize such bonds by
9 resolution adopted by the approving vote of at least a majority of said
10 commission. No such resolution shall be so adopted by the State Bond
11 Commission unless it finds that there has been filed with it (A) any
12 human services facility colocation statement to be filed with the
13 Secretary of the Office of Policy and Management, if so requested by
14 the secretary, pursuant to section 4b-23, as amended; (B) a statement
15 from the Commissioner of Agriculture pursuant to section 22-6, for
16 projects which would convert twenty-five or more acres of prime
17 farmland to a nonagricultural use; (C) prior to the meeting at which

18 such resolution is to be considered, any capital development impact
19 statement required to be filed with the Secretary of the Office of Policy
20 and Management; [and] (D) a statement as to the full cost of the project
21 or purpose when completed and the estimated operating cost for any
22 structure, equipment or facility to be constructed or acquired; and [(D)]
23 (E) such requests and such other documents as it or said bond act
24 require, provided no resolution with respect to any school building
25 project financed pursuant to section 10-287d, as amended, or any
26 interest subsidy financed pursuant to section 10-292k, as amended,
27 shall require the filing of any statements pursuant to subparagraph
28 (A), (B), (C), [or] (D), or (E) of this subdivision and provided further
29 any resolution requiring a capital impact statement shall be deemed
30 not properly before the State Bond Commission until such capital
31 development impact statement is filed. Any such resolution so
32 adopted by the State Bond Commission shall recite the bond act under
33 which said commission is empowered to authorize such bonds and the
34 filing of all requests and other documents, if any, required by it or such
35 bond act, and shall state the principal amount of the bonds authorized
36 and a description of the purpose or project for which such bonds are
37 authorized. Such description shall be sufficient if made merely by
38 reference to a numbered subsection, subdivision or other applicable
39 section of such bond act.

40 (2) The agenda of each meeting shall be jointly agreed upon by the
41 Governor, the speaker of the House of Representatives and the
42 president pro tempore of the Senate, and made available to the
43 members of the commission not later than [four] five business days
44 prior to the meeting at which such agenda is to be considered. The day
45 of the meeting shall count as one of the business days. The agenda of
46 each meeting, or any supporting documents included with such
47 agenda, shall include a reference to the statute or public or special act
48 which is the source of any funds to be used for any project on such
49 agenda, including any contingency funds and any reuse or reallocation
50 of funds previously approved for any other use or project, and a
51 notation of the outside source from which any funds for any such

52 project were received, if any. The secretary of the commission shall
53 provide the members with copies of any agreement entered into by the
54 state with any private entity receiving bond funds in connection with
55 any item on the agenda. Any item on the agenda that is revised after
56 its placement thereon, or any supplemental item that is proposed for
57 the agenda subsequent to the time such agenda has been agreed upon,
58 shall be tabled and held for consideration for inclusion on a
59 subsequent agenda.

60 (3) Upon adoption of a resolution, the principal amount of the
61 bonds authorized therein for such purpose or project shall be deemed
62 to be an appropriation and allocation of such amount for such purpose
63 or project, respectively, and subject to approval by the Governor of
64 allotment thereof and to any authorization for such project or purpose
65 that may otherwise be required, contracts may be awarded and
66 obligations incurred with respect to any such project or purpose in
67 amounts not in the aggregate exceeding such authorized principal
68 amount, notwithstanding that such contracts and obligations may at a
69 particular time exceed the amount of the proceeds from the sale of
70 such bonds theretofore received by the state. In any such resolution so
71 adopted, the State Bond Commission may include provision for the
72 date or dates of such bonds, the maturity of such bonds and,
73 notwithstanding the provisions of any bond act taking effect prior to
74 July 1, 1973, provision for either serial or term, sinking fund or other
75 reserve fund requirements, if any, due dates of the interest thereon, the
76 form of such bonds, the denominations and designation of such bonds,
77 registration, conversion and transfer privileges and the terms of
78 redemption with or without premium and the date and manner of sale
79 of such bonds, provisions for the consolidation of such bonds with
80 other bonds including refunding bonds for the purpose of sale as
81 provided in subsection (h) of this section, limitations with respect to
82 the interest rate or rates on such bonds, provisions for receipt and
83 deposit or investment of the good faith deposit pending delivery of
84 such bonds and such other terms and conditions of such bonds and of
85 the issuance and sale thereof as the State Bond Commission may

86 determine to be in the best interest of the state, provided the State
87 Bond Commission may delegate to the Treasurer all or any part of the
88 foregoing powers in which event the Treasurer shall exercise such
89 powers until the State Bond Commission, by adoption of a resolution
90 prior to exercise of such powers by the Treasurer shall elect to
91 reassume the same. Such powers shall be exercised from time to time
92 in such manner as the Treasurer shall determine to be in the best
93 interests of the state and the Treasurer shall file a certificate of
94 determination setting forth the details thereof with the secretary of the
95 State Bond Commission on or before the date of delivery of such
96 bonds, the details of which were determined by the Treasurer in
97 accordance with such delegation.

98 (4) On or before January 1, 2007, and annually thereafter, the
99 Secretary of the Office of Policy and Management shall submit a report
100 to the joint standing committee of the General Assembly having
101 cognizance of matters relating to finance, revenue and bonding, which
102 report shall update, for all outstanding bond allocations, the statement
103 required under subparagraph (D) of subdivision (1) of this subsection.

104 ~~[(4)]~~ (5) The State Bond Commission may authorize the
105 Commissioner of Economic and Community Development to defer
106 payments of interest or principal, or a portion thereof, in the case of a
107 troubled loan, as defined in subdivision (1) of subsection (e) of section
108 8-37x, made by the commissioner under any provision of the general
109 statutes.

110 Sec. 2. Subsection (a) of section 32-383 of the general statutes is
111 repealed and the following is substituted in lieu thereof (*Effective from*
112 *passage*):

113 (a) All provisions of section 3-20, as amended by this act, or the
114 exercise of any right or power granted thereby which are not
115 inconsistent with the provisions of sections 32-382 to 32-385, inclusive,
116 are hereby adopted and shall apply to all bonds authorized by the
117 State Bond Commission pursuant to said sections, and temporary or

118 interim notes in anticipation of the money to be derived from the sale
119 of any such bonds so authorized may be issued in accordance with
120 said section 3-20, and from time to time renewed provided no filings
121 required by [subdivisions (1) and (2)] subparagraphs (A) and (B) of
122 subdivision (1) of subsection (g) of said section 3-20, shall be required.
123 Such bonds shall mature at such time or times not exceeding thirty
124 years from either their respective dates or the estimated completion
125 date of the stadium facility as referred to in subdivision (5) of section
126 32-397, as may be provided in or pursuant to the resolution or
127 resolutions of the State Bond Commission authorizing such bonds.
128 None of said bonds shall be authorized except upon a finding by the
129 State Bond Commission that there has been filed with it a request for
130 such authorization, which is signed by the secretary stating such terms
131 and conditions as said commission, in its discretion, may require. Such
132 bonds issued pursuant to section 32-382 shall be general obligations of
133 the state and the full faith and credit of the state of Connecticut are
134 pledged for the payment of the principal of and interest on such bonds,
135 including temporary or interim notes, as the same become due, and
136 accordingly and as part of the contract of the state with the holders of
137 such bonds, appropriation of all amounts necessary for punctual
138 payment of such principal and interest is hereby made including with
139 respect to interest on temporary or interim notes and principal thereof
140 to the extent not funded with renewals thereof or bonds, and the
141 Treasurer shall pay such principal and interest as the same become
142 due.

143 Sec. 3. Subsection (c) of section 32-614 of the general statutes is
144 repealed and the following is substituted in lieu thereof (*Effective from*
145 *passage*):

146 (c) All provisions of section 3-20, as amended by this act, or the
147 exercise of any right or power granted thereby which are not
148 inconsistent with the provisions of this section are hereby adopted and
149 shall apply to all bonds authorized by the State Bond Commission
150 pursuant to said section 3-20, and temporary or interim notes in

151 anticipation of the money to be derived from the sale of any such
152 bonds so authorized may be issued in accordance with said section 3-
153 20₂ and from time to time renewed provided no filings required by
154 [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1)
155 of subsection (g) of said section 3-20₂ shall be required. Such bonds
156 shall mature at such time or times not exceeding twenty years from
157 either their respective dates. None of said bonds shall be authorized
158 except upon a finding by the State Bond Commission that there has
159 been filed with it a request for such authorization, which is signed by
160 the Secretary of the Office of Policy and Management stating such
161 terms and conditions as said commission, in its discretion, may
162 require. Such bonds issued pursuant to this section shall be general
163 obligations of the state and the full faith and credit of the state of
164 Connecticut are pledged for the payment of the principal of and
165 interest on such bonds, including temporary or interim notes, as the
166 same become due, and accordingly and as part of the contract of the
167 state with the holders of such bonds, appropriation of all amounts
168 necessary for punctual payment of such principal and interest is
169 hereby made including with respect to interest on temporary or
170 interim notes and principal thereof to the extent not funded with
171 renewals thereof or bonds, and the State Treasurer shall pay such
172 principal and interest as the same become due.

173 Sec. 4. Subsection (c) of section 32-616 of the general statutes is
174 repealed and the following is substituted in lieu thereof (*Effective from*
175 *passage*):

176 (c) All provisions of section 3-20, as amended by this act, or the
177 exercise of any right or power granted thereby which are not
178 inconsistent with the provisions of this section are hereby adopted and
179 shall apply to all bonds authorized by the State Bond Commission
180 pursuant to said section 3-20, and temporary or interim notes in
181 anticipation of the money to be derived from the sale of any such
182 bonds so authorized may be issued in accordance with said section 3-
183 20₂ and from time to time renewed provided no filings required by

184 [subdivisions (1) and (2)] subparagraphs (A) and (B) of subdivision (1)
 185 of subsection (g) of said section 3-20, shall be required. Such bonds
 186 shall mature at such time or times not exceeding twenty years from
 187 either their respective dates. None of said bonds shall be authorized
 188 except upon a finding by the State Bond Commission that there has
 189 been filed with it a request for such authorization, which is signed by
 190 the Secretary of the Office of Policy and Management stating such
 191 terms and conditions as said commission, in its discretion, may
 192 require. Such bonds issued pursuant to section 32-614, as amended by
 193 this act, shall be general obligations of the state and the full faith and
 194 credit of the state of Connecticut are pledged for the payment of the
 195 principal of and interest on such bonds, including temporary or
 196 interim notes, as the same become due, and accordingly and as part of
 197 the contract of the state with the holders of such bonds, appropriation
 198 of all amounts necessary for punctual payment of such principal and
 199 interest is hereby made including with respect to interest on temporary
 200 or interim notes and principal thereof to the extent not funded with
 201 renewals thereof or bonds, and the State Treasurer shall pay such
 202 principal and interest as the same become due.

203 Sec. 5. Subsection (d) of section 32-652 of the general statutes is
 204 repealed and the following is substituted in lieu thereof (*Effective from*
 205 *passage*):

206 (d) All provisions of section 3-20, as amended by this act, and the
 207 exercise of any right or power granted thereby which is not
 208 inconsistent with the provisions of this section, are hereby adopted
 209 and shall apply to all bonds authorized pursuant to this section, and
 210 temporary or interim notes in anticipation of the money to be derived
 211 from the sale of any such bonds so authorized may be issued in
 212 accordance with said section 3-20, and from time to time renewed
 213 provided no filings required by [subdivisions (1) and (2)]
 214 subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said
 215 section 3-20, shall be required.

216 Sec. 6. Subsection (e) of section 32-653 of the general statutes is
 217 repealed and the following is substituted in lieu thereof (*Effective from*
 218 *passage*):

219 (e) All provisions of section 3-20, as amended by this act, and the
 220 exercise of any right or power granted thereby which is not
 221 inconsistent with the provisions of this section are hereby adopted and
 222 shall apply to all bonds authorized pursuant to this section and
 223 temporary or interim notes in anticipation of the money to be derived
 224 from the sale of any such bonds so authorized may be issued in
 225 accordance with said section 3-20, and from time to time renewed
 226 provided no filings required by [subdivisions (1) and (2)]
 227 subparagraphs (A) and (B) of subdivision (1) of subsection (g) of said
 228 section 3-20, shall be required.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-20(g)
Sec. 2	<i>from passage</i>	32-383(a)
Sec. 3	<i>from passage</i>	32-614(c)
Sec. 4	<i>from passage</i>	32-616(c)
Sec. 5	<i>from passage</i>	32-652(d)
Sec. 6	<i>from passage</i>	32-653(e)

Statement of Purpose:

To increase accountability for projects using state bond funds, and to make conforming technical changes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]